



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
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FT. BELVOIR, VIRGINIA 22060-6221



IN REPLY
REFER TO

AQOD

MAR 5 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-28, Return On Investment (ROI) Bi-Monthly
Reporting, Over and Above (O&A) Work (INFORMATION)**

This is an INFORMATION memorandum effective immediately and ending September 30, 1997. Target audience: All DCMC employees involved in the collection and reporting of ROI data.

In response to a recent question, O&A work that is negotiated should be reported under Contracting Officer Price Negotiations. However, rejected O&A work requests are merely the correction of misinterpretation of contract requirements and are not to be included in ROI reporting. We have already paid for the required action under the terms of the contract, and therefore there are no cost savings or avoidances. If rejected O&A work requests were being reported as part of ROI, we would be taking credit for merely avoiding double payment. Most members of the public would hardly consider that as DCMC achieving "savings" or "avoidances." Rather, they would see it as DCMC simply doing what the Command was established to do: providing effective contractor oversight.

If you have any questions, please contact Mr. Nelson Cahill, Contractor Capability and Proposal Analysis Team (AQOD), (703) 767-3434 or DSN 427-3434.


JILL E. PETTIBONE
Executive Director
Contract Management Policy

